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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/981,565	10/17/2001	Andrew C. Gilbert	CF/040	7706
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ROPES & GRAY LLP PATENT DOCKETING 39/361 1211 AVENUE OF THE AMERICAS NEW YORK, NY 10036-8704			EXAMINER TRAN, HAI	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/981,565

Applicant(s)

GILBERT ET AL.

Examiner

Hai Tran

Art Unit

3694

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 October 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This is the **Final Office Action** in response to the Amendments filed by the Applicant on October 18, 2007
2. Claims 1-26 have been amended. New claims 27-40 have been added. Hence, claims 1-40 are pending in this application and have been examined.

Drawings Objections

3. Applicant has clarified which sets of drawings to be used for examination. Hence, the objection is withdrawn.

Response to Arguments

4. Applicant's arguments filed on October 18, 2007 have been fully considered but they are not persuasive.
5. **Regarding paragraphs 7-8 (claim 1):**
6. Applicant asserts that the cited sections of the reference (Gary) do not teach "in response to the command, presenting to the aggressor party, by means of the electronic trading system, an obligation to make a market in the item." as in claim 1. Applicant argues that the cited sections of Gary are options contracts which do not teach that "any market participant is obligated to anything at all regarding the trading system". The Examiner respectfully disagrees.
7. The Examiner begins to noting that the rejection to claims is on the prior art as a whole and not just the cited portions (see paragraph 17 on page 6 of the Office Action).

As such Examiner points to column 2, line 44 of Gary "On the other hand, market makers must trade at the displayed market price", and in column 5, line 2 "a market maker with additional responsibilities toward maintaining an orderly market". These clearly show that Gary teaches the element of the responsibility that a market maker (or aggressor party) has to make a market on the item.

8. Regarding paragraph 15 (claims 4 and 17):

9. Applicant further traversed the assertion of the Official Notice in paragraph 15 of the Office Action. The Examiner would like to point out that "charging a fee to a trader (or a customer) for not responding within a given period of time" is old and well known in the finance art. For example: a patent application applicant is require to pay an extension fee if he fails to reply an Office Action within a given period of time; a utility customer is charged for a late fee if he fails to pay his bill in a timely manner; a credit card customer is charged for an interest fee if he does not pay his bill in full or pays his bill late; or a renter's application can be cancelled without the application fee refund to him if he does not fails the background or credit check. The motivation is to assure the liquidity in the business. The Examiner believes that the Official Notice for this limitation in claims 4 and 17 is appropriate. Regardless, the Examiner has found a reference for this limitation and cites it in the claim rejection below.

10. The Examiner believes that the record is clear with respect to the limitations of the claims and is satisfied that the combination of the references disclose Applicant's invention as claimed. The rejections with respect to claims 1-26 in the Office Action are clear and valid; hence, the rejections remain stayed.

Claim Rejections - 35 USC § 102

11. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

12. Claims 1-3, 6, and 7 are rejected under 35 U.S.C. 102(e) as being anticipated by Gary (U.S. Patent No. 6,618,707) ("Gary").

Examiner's Note: Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

13. **Regarding claim 1**, Gary teaches a method for comprising the steps of (see Abstract, col. 2, lines 44-46, col. 5, lines 1-3):

making available to an aggressor party, through an electronic trading system, receiving a first trading command from a first party to make a spread market for an item tradable on the electronic trading system the spread market including at least one offer and at least one bid at a spread specified by one or more market maker parties (see col. 4, lines 55-21 of col. 6; col. 7, lines 35-63 of col. 8; figure 1);

accepting a command from the aggressor party, the command comprising at least one of a hit of the at least one first offer bid and a take of the at least one offer (see col. 7, lines 35-63 of col. 8; figure 1); and

in response to the command, presenting to the aggressor party, by means of the electronic trading system, an obligation to make a market in the item (see col. 7, lines 35-63 of col. 8; figure 1).

The Examiner notes that the Applicant's specification (page 4, lines 11-12, page 9, lines 2, and 5-6) defines an aggressor party as a market participant, trader, or market maker. This is exactly what is taught in Gary's (see col. 5, lines 1-3).

14. **Regarding claim 2**, Gary teaches wherein obligating the aggressor party to make the market includes requesting at least one of a bid and an offer for the item (see col. 5, lines 1-3).

15. **Regarding claim 3**, Gary teaches wherein obligating includes further comprising blocking the aggressor party second party from participating in a market when the if the aggressor party does not make the market within a given period of time (see col. 11, lines 43+).

16. **Regarding claim 6**, Gary teaches that wherein obligating includes requiring the aggressor party to make the market within a given time period from receipt of the command (see col. 11, lines 66-18 of col. 12).

17. **Regarding claim 7**, Gary teaches that wherein obligating includes obligating the aggressor party to make the market for a given period of time (see col. 11, lines 66-18 of col. 12).

Claim Rejections - 35 USC § 103

18. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

19. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Gary in view of Kay (U.S. Patent No. 6,882,985) ("Kay").

20. **Regarding claim 4**, Gary does not expressly teach such feature. Kay teaches a marketplace system fees to enhance market share and participation (see col. 4, lines 40-52). Kay does not specifically teach charging a fee to the aggressor party if not making the market within a given period of time. However, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to easily modify Kay's invention to include the charging fee feature and combine with the Gary's invention to provide an improved system to traders. The motivation is to improve the liquidity and assure the fair handling of orders as this is described in Gary at (col. 4, lines 54-59).

21. Claims 5 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gary in view of Lupien (U.S. Patent No. 6,012,046) ("Lupien").

22. **Regarding claim 5**, Gary does not expressly teach such feature. However, Lupien teaches a crossing network that matches buy and sell orders. Traders are given a system to allow traders to select commands (see col. 8, lines 5-15; figure 2). It would

have been obvious to a person of ordinary skill in the art at the time the invention was made to combine the teachings of Lupien with the teachings of Gary to provide an improved system to traders. The motivation is to improve the liquidity and assure the fair handling of orders described in Gary at (col. 4, lines 54-59).

23. **Regarding claim 8**, Gary does not expressly teach such feature. However, Lupien teaches that the trader can set a "Time-in-Force" indicator to determine how long the order is valid (see col. 7, lines 24-29). It would have been obvious to a person of ordinary skill in the art at the time the invention was made to combine the teachings of Lupien with the teachings of Gary to provide an improved system to traders. The motivation is to improve the liquidity and assure the fair handling of orders described in Gary at (col. 4, lines 54-59).

24. Claims 9-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gary in view of Kay and further in view of Lupien.

25. **Regarding claim 9**, this computer readable medium claim is for implementing the method claims 1-8 and has the same steps and limitations. Hence, it is rejected under rationale provided in claims 1-8 (see all in Gary, Kay, and Lupien).

26. **Regarding claims 10-17**, these claims are the system claims including means and processors for implementing the methods claims 1-8 and have the same steps and limitations. Hence, they are rejected under the rationale provided in claims 1-8 (see all in Gary, Kay, and Lupien).

27. **Regarding claims 18-26**, a review of these claims the Examiner determines that they are similar to the method claims 1-8 and have the same steps and limitations.

Hence, they are rejected under the same rationale provided in claims 1-8 (see all in Gary, Kay, and Lupien).

28. **Regarding claim 27**, this computer readable claim is for implementing the method claims 18-26 and has the same steps and limitations. Hence, it is rejected under rationale provided in claims 18-26 (see all in Gary, Kay, and Lupien).

29. **Regarding claims 28-39**, a review of these claims the Examiner determines that they are similar to the method claims 1-8 and have the same steps and limitations.

Hence, they are rejected under the same rationale provided in claims 1-8 (see all in Gary, Kay, and Lupien).

30. **Regarding claim 40**, this computer readable claim is for implementing the method claims 28-39 and has the same steps and limitations. Hence, it is rejected under rationale provided in claims 28-39 (see all in Gary, Kay, and Lupien).

Conclusion

31. Claims 1-40 are rejected.

32. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

33. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

34. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hai Tran whose telephone number is (571) 272-7364. The examiner can normally be reached on M-F, 9-4 PM.

35. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.


36. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

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USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

HT


J. A. COLEBERT
PRIMARY EXAMINER